

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:

PROSPECT MEDICAL HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 25-80002 (SGJ)

(Jointly Administered)

PROSPECT CCMC, LLC, *et al.*,²

Plaintiffs,

v.

ROBERT F. KENNEDY, JR., in his official
capacity as Secretary, United States Department of
Health and Human Services; and MEHMET OZ, in
his official capacity as Administrator, Centers For
Medicare and Medicaid Services,

Defendants.

Adv. Proc. No. 25-08009 (SGJ)

**DEFENDANTS' MOTION TO DISMISS PLAINTIFFS' COMPLAINT
FOR DECLATORY AND INJUNCTIVE RELIEF**

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' proposed claims and noticing agent at <https://omniagentsolutions.com/Prospect>. The Debtors' mailing address is 3824 Hughes Ave., Culver City, CA 90232.

² The Plaintiffs in this adversary proceeding are Prospect Penn, LLC; Prospect Crozer, LLC; Prospect CCMC, LLC; Prospect DCMH, LLC; Prospect Crozer Urgent Care, LLC; Prospect Penn Health Club, LLC; Prospect Crozer Home Health and Hospice, LLC; Prospect Crozer Ambulatory Surgery, LLC; Prospect Health Services PA, Inc.; and Prospect Provider Group PA, LLC.

NO HEARING WILL BE CONDUCTED HEREON UNLESS A WRITTEN RESPONSE IS FILED WITH THE CLERK OF THE UNITED STATES BANKRUPTCY COURT AT (ADDRESS OF CLERK'S OFFICE) BEFORE CLOSE OF BUSINESS ON SEPTEMBER 9, 2025, WHICH IS AT LEAST 21 DAYS FROM THE DATE OF SERVICE HEREOF.

ANY RESPONSE SHALL BE IN WRITING AND FILED WITH THE CLERK, AND A COPY SHALL BE SERVED UPON COUNSEL FOR THE MOVING PARTY PRIOR TO THE DATE AND TIME SET FORTH HEREIN. IF A RESPONSE IS FILED A HEARING MAY BE HELD WITH NOTICE ONLY TO THE OBJECTING PARTY.

IF NO HEARING ON SUCH NOTICE OR MOTION IS TIMELY REQUESTED, THE RELIEF REQUESTED SHALL BE DEEMED TO BE UNOPPOSED, AND THE COURT MAY ENTER AN ORDER GRANTING THE RELIEF SOUGHT OR THE NOTICED ACTION MAY BE TAKEN.

The United States of America (the “United States”), on behalf of Robert F. Kennedy, Jr., in his official capacity as Secretary, United States Department of Health and Human Services (“HHS”) and Mehmet Oz, in his official capacity as Administrator, Centers for Medicare & Medicaid Services (“CMS,” and together with HHS, “Defendants”), hereby moves to dismiss (the “Motion”) the *Complaint for Declaratory and Injunctive Relief* [Adv. Proc. Docket No. 1] (the “Complaint”)³ filed by the above-captioned plaintiffs (collectively, the “Plaintiffs” or the “Debtors”) pursuant to Federal Rule of Civil Procedure 12(b)(1) and (6) as incorporated by Federal Rule of Bankruptcy Procedure 7012(b) for a lack of subject matter jurisdiction and for failure to state a

³ Unless otherwise defined herein, capitalized terms have the meaning ascribed to them in the Complaint.

cognizable claim under the Bankruptcy Code.⁴ The reasons in support of the Motion are set forth in the attached Memorandum of Law filed contemporaneously herewith.

Dated: August 19, 2025

Respectfully submitted,

BRETT A. SHUMATE
Assistant Attorney General
Civil Division

/s/ Jae Won Ha
KIRK T. MANHARDT
MARY A. SCHMERGEL
JAE WON HA
United States Department of Justice
Civil Division
1100 L Street, NW
Washington, D.C. 20005
Tel: (202) 598-5383
Fax: (202) 514-9163
E-mail: jae.won.ha@usdoj.gov

*Attorneys for the United States on behalf of
HHS*

⁴ This is not a core proceeding and Defendants do not consent to final orders or judgment by the bankruptcy court in the adversary proceeding. *See In re Wood*, 825 F.2d 90 at 97 (5th Cir. 1987) (stating that a proceeding is core “if it invokes a substantive right provided by title 11 or if it is a proceeding that, by its nature, could arise only in the context of a bankruptcy case.”).

CERTIFICATE OF SERVICE

I certify that on August 19, 2025, a true and correct copy of the foregoing was served via electronic means through transmission facilities from the Court upon those parties authorized to participate and access the Electronic Filing System in the above-captioned case.

Dated: August 19, 2025

/s/ Jae Won Ha
JAE WON HA